

Defensive Income portfolio

Quarterly update - May 2021

Portfolio Manager



James Kempster
Manager since September 2019

Portfolio objective

To provide a stable level of income and protect the nominal capital invested.

Investment approach

The objective is achieved by using a cautious investment approach primarily focused on UK government and corporate bonds, with limited exposure to equities. The performance of all the funds in the portfolio is constantly monitored and formally reviewed on a quarterly basis by an investment committee.

Portfolio manager's commentary

The portfolio managed to deliver a positive return over the quarter despite the bond and gilt allocations enduring a difficult period caused by rising inflation and the potential for future interest rate rises. Although these rises are not likely to happen in the short term, speculation about tightening monetary policy caused longer term yields to rise which led to price falls. Conversely, the returns in the equity holdings were much stronger as reopening economies boosted the outlook.

Following our review of the portfolio we made two changes which resulted in the removal of JPM Japan and Marlborough Global Bonds. Both funds are being replaced by passive alternatives which will help to reduce the overall cost of the portfolio which will be beneficial from a total return perspective. In addition, the new additions offer the potential for higher levels of natural income. Full details of the changes being recommended are outlined on the Fund Changes summary which is available on our website.

Indicative risk rating



5 year fund performance versus benchmark



■ A - ***IMS Defensive Income (July 2010) 01/02/2021 TR in GB [25.69%]
■ B - UT Mixed Investment 0-35% Shares Retail TR in GB [22.32%]

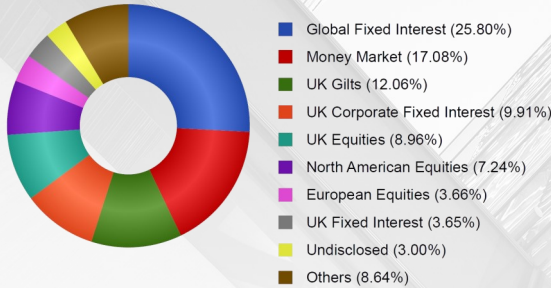
Top 10 Holdings

L&G - All Stocks Gilt Index	12%
Royal London - Corporate Bond	9%
Royal London - Short Duration Credit	9%
ASI - Sterling Money Market	8%
L&G - Cash Trust	8%
Vanguard - FTSE UK Equity Income Index	7%
Blackrock - Corporate Bond	6%
M&G - Global Macro Bond	5%
M&G - Emerging Markets Bond	5%
Fidelity - Extra Income	4%

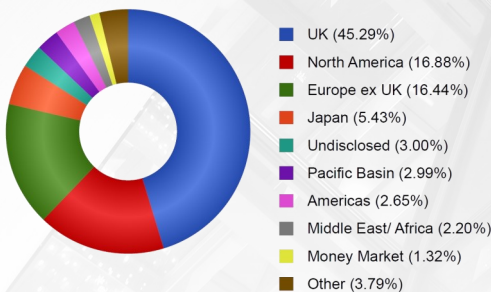
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Asset allocation



Regional breakdown



Important notes

All data are to 30.04.2021. Any fund performance data include explicit (OCF) and implicit (ongoing) fund manager charges but do not include platform, adviser or investment management fees. Full details will be outlined in your product provider illustration. For further information please contact your financial adviser.

Past performance is not a guide to future performance. The value of investments and any income from them may fall as well as rise; you may get back less than the amount invested. Higher volatility investments are subject to sudden and large falls in value and could result in a loss equal to the sum invested. Certain investments (e.g. property) are not readily realisable and investors may experience difficulty in realising the investment or in obtaining reliable information on the value or associated risks. Changes in rates of exchange may have an adverse effect on the value, price or income of investments denominated in currencies other than Sterling.

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Key Investor Information Disclosure Documents (KIIDs) or Key Information Documents (KIDs) for the underlying funds can be found on our website: www.imscapital.co.uk/kiid.

Key facts

Ongoing charge figure	0.91%
ISA qualification	Yes
Twelve month historical yield	2.42%
Volatility*	4.54 (Benchmark 4.14)
Sharpe ratio**	1.00 (Benchmark 1.52)

*Volatility measures how much an investment deviates from its average over a period.

**The Sharpe Ratio measures the trade-off between risk and return.

The ongoing charge figure above represents the average fund charge across the range of available platforms and does not include adviser or platform fees. Full details of all charges will be outlined in your product provider illustration. For further information please contact your financial adviser.

Please note that any performance figures quoted are based on the underlying assets held during the dates specified and therefore they will not necessarily match the returns which are experienced by end investors. Alternative asset selections to those shown overleaf are occasionally necessary. As such, this factsheet should be used in conjunction with the relevant Fund Change and Fund List documents.

All assets are held via the platform selected. All transactions will be made within a reasonable time from receipt and IMS is not responsible for any delays where there are unforeseen issues with third party providers.

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